

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

STARRED QUESTION NO:320

ANSWERED ON:08.08.2016

Roadmap to Boost Tourism Industry

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Will the Minister of TOURISM be pleased to state:

- (a) whether religious and medical tourism has significantly gone up in the recent years in the country and if so, the details thereof including its contribution to Gross Domestic Product of the country;
- (b) whether the Government has taken several steps for promoting tourism industry in the country and if so, the details of the schemes proposed/formulated for growth of tourism sector; and
- (c) whether the roadmap prepared by the Government will also work in the service sector and if so, the details thereof?

Answer

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE)
(DR. MAHESH SHARMA)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 320 ANSWERED ON 08.08.2016 REGARDING ROADMAP TO BOOST TOURISM INDUSTRY.

(a): The Ministry of Tourism does not compile Domestic and Foreign Tourist Visits (DTV's & FTV's) according to purpose of visit.

The number of Foreign Tourist Arrivals (FTAs), as distinguished from FTVs, for religious purposes is not known.

The year wise FTAs in India coming for medical purpose, during 2009-2014 were as follows:

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Year Total FTAs

(in number) % Share FTAs coming for medical purposes (in number)

2009 5167699 2.2 113689

2010 5775692 2.7 155944

2011 6309222 2.2 138803

2012 6577745 2.6 171021

2013 6967601 3.4 236898

2014* 7679099 2.4 184298

2015 8027133 Not Available Not Available

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* includes the number of FTAs who came on Medical visa and Medical Attendant visa. Earlier Ministry of Tourism used to publish the data of Nationality-wise FTAs by purpose of visit based on the information recorded in disembarkation card. Since the practice of filling up the disembarkation card has been discontinued, the data on purpose of visit is also henceforth discontinued. Now the Ministry of Tourism publishes data of Visa Type by Nationality instead of purpose of visit data.

As per the 2nd Tourism Satellite Account of India (TSA) and its subsequent estimates, the contribution of tourism to total Gross Domestic Product (GDP) during 2009-10, 2010-11, 2011-12 and 2012-13 were 6.77%, 6.76%, 6.76% and 6.88%, respectively. This information for the subsequent years is not available. The break – up of this contribution according to purpose is not compiled.

(b): The Government of India extends the following incentives to hotel industry:

- i. Five Year Tax Holiday for 2, 3 and 4 Star category hotels located in all UNESCO declared World Heritage sites (Except Mumbai and Delhi) for hotels operating w.e.f. 01.04.2004 to 31.03.2013.
- ii. Extension of Investment Linked tax incentives under Section 35AD of the Income Tax Act to new hotels of 2-Star category and above anywhere in India, which will facilitate growth of accommodation in the country.
- iii. The Reserve Bank of India (RBI) has de-linked credit for hotel projects from Commercial Real Estate (CRE), thereby enabling hotel projects to avail credit at relaxed norms and reduced interest rates.
- iv. Hotel and Tourism related industry has been declared a high priority industry and Foreign Direct Investment (FDI) is allowed upto

100% under the automatic route.

The Ministry of Finance, Govt. of India has also included the following in the 'Harmonized list of Infrastructure sub Sector' to boost supply of hotel rooms in the country:

- i. Three Star or higher category classified hotels located outside cities with population of more than 1 million.
- ii. Hotels with a project cost of more than Rs.200 crore each in any place in India and of any star rating.

With a view to improve transparency and accountability, the Ministry of Tourism has made provisions for online applications for classification/reclassification/approval of various Hotels and Travel Trade Service Providers.

Other Initiatives undertaken by the Ministry of Tourism in the recent past for promoting tourism industry in the country are as below:

- i. The Ministry of Tourism provides financial assistance to States/UTs for infrastructure creation under its 'Swadesh Darshan' and PRASAD Schemes.
- ii. Introduction of e-Tourist Visa facility for the citizens of 150 countries at 16 airports.
- iii. Launch of 24x7 Toll Free Multi-Lingual Tourist Info Line handling ten international languages besides Hindi and English.
- iv. The Ministry of Tourism has launched 'Welcome Booklet' with information on Dos and Don'ts for tourists, contact details of India Tourism domestic offices and Tourist Helpline Number for distribution at immigration counters to tourists arriving at international airports.
- v. Launch of Swachh Paryatan App.
- vi. Promotion of India as a holistic destination in the international markets under the Incredible India brand-line.
- vii. Organization of biennial International Buddhist Conclave.
- viii. Organization of Annual International Tourism Mart for promotion of tourism in North Eastern States.
- ix. Promotion of activities in tourist generating markets overseas through the India Tourism Offices abroad with active participation in International Tourism Events.
- x. Financial assistance to Stakeholders and Tourism Departments of States/UTs for undertaking promotional activities under the Marketing Development Assistance Scheme.

(c): The following are some of the measures taken by Ministry of Commerce and Industry to promote service sector including the tourism Industry:

1. The Directorate General of Foreign Trade (DGFT) launched a new Services Exports from India Scheme (SEIS) in the Foreign Trade Policy (FTP) 2015-2020. The Scheme provides rewards to service providers of notified services including tourism industry who are providing services from India.

The rate of reward under the scheme is based on net foreign exchange earned. The present rates of reward are 3 % and 5%. The sectors covered under the scheme falls into the following eight broad sectors:

- i. Business services
- ii. Communication services
- iii. Construction and related engineering services
- iv. Educational services
- v. Environmental services
- vi. Health related and social services
- vii. Tourism and travel related services
- viii. Recreational, cultural and sporting services

2. The Ministry of Commerce and Industry provides the facility of access to duty free capital goods for rendering of services through the Export Promotion Capital Goods (EPCG) to facilitate import of capital goods for rendering quality services to enhance India's export competitiveness including the tourism industry.

3. Department of Commerce (DoC) has shortlisted several sectors where India has the potential of a strong competitive advantage for the services exports. These include tourism services including medical value travel and Meetings, Incentives, Conferences and Exhibitions (MICE) services.

In order to promote trade in services including tourism, Government of India follows a multi-pronged strategy of negotiating meaningful market access through multilateral, plurilateral and bilateral trade agreements, trade promotion through participation in international fairs/exhibitions and focused strategies for specific markets and sectors.

4. DoC has also been organizing a Global Exhibition on Services (GES) since 2015. GES has emerged as an apt platform to showcase Indian capabilities in the services space. Tourism, wellness & Healthcare are some of the focus sectors in GES. The recently concluded the 2nd edition of the Global Exhibition on Services, held between April 21 to 23, 2016, at India Expo Centre & Mart, Greater Noida, India, was a resounding success, buoyed by participation of over 65 countries and delegates from India and abroad, 450 exhibitors, 500 foreign visitors, over 20,000 domestic visitors. GES 2016 witnessed over 3000 B2B meetings over three days.
